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HANDS ON THE LAND FOR FOOD SOVEREIGNTY

CONNECTING SMALLHOLDERS TO MARKETS

AN ANALYTICAL GUIDE

Impressum

This publication is the fruit of two years of collective efforts by the Civil Society Mechanism (CSM) working group that has been specifically dedicated to following the discussions and negotiations on 'Connecting Smallholders to Markets' in the Committee on World Food Security (CFS). The working group includes over 50 participants from different regions and constituencies. It is coordinated by Nadjirou Sall of ROPPA and Javier Sanchez of La Via Campesina, with technical facilitation by Andrea Ferrante (La Via Campesina), Mamadou Goita (IRPAD) and Nora McKeon (Terra Nuova). The full membership of the group and the history of the work undertaken can be found at http://www.csm4cfs.org/working-groups/connecting-smallholders-to-markets/.

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CONNECTING SMALLHOLDERS TO MARKETS

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ABSTRACT

‘Connecting Smallholders to Markets’ is the title of policy recommendations negotiated on 8- 9 June 2016 in the Committee on World Food Security, the foremost inclusive international and intergovernmental platform deliberating on issues of food security and nutrition. Work on this extremely important topic has been underway since 2014. It has involved multiple rounds of formal and informal consultations, including most notably a High-Level Forum held in June 2015. The process has provided a welcome occasion for CFS members and participants to debate the issues and concepts involved, on which quite different understandings have been expressed. This work is far-reaching, and touches not only on specific topics such as food safety standards but also questions as fundamental as ‘What is a market?’, ‘In what kinds of markets are small-scale producers actually present?’ ‘Which markets now channel most of the food consumed in the world?’ ‘What would constitute a positive way forward for relations between small-scale producers, markets and food security, and what investment and public policies would be needed to promote this?’.

This analytical guide examines how small-scale food producers’ organisations and allied civil society can use the recommendations in their national and international advocacy and how they can work together with their governments to apply them in the context of national and regional policies and programmes. It argues that the policy recommendations illuminate the relationships of smallholders to markets in two main ways: i) they recognize that the bulk of food is channelled through markets linked to local, national and regional food systems (‘territorial markets’), thereby clearly positioning these markets as foremost amongst different kinds of market systems in the context of food security and nutrition; ii) they urge governments to employ public policy to support of these territorial markets, both by strengthening territorial markets where they already exist and by opening up new spaces for these markets to take root and flourish. With such an approach, smallholders would be well equipped to meet global challenges ahead.

The 'invisible' markets in which most small-scale producers participate exist, but they fall below the radar. They are the ones through which most food transits, but they have been ignored. This is the reality. We want policy makers to start here and see how to support these markets, rather than taking decisions based on international markets that function in very different ways.

Nadjirou Sall, Secretary-General of the Network of West African Peasant and Agricultural Producers Organizations (ROPPA)

INTRODUCTION

Small-scale food producers (or "smallholders")[1] are responsible for most of the food consumed in the world and most of the investments made in agriculture. These important facts have been recognized in policy recommendations on "Investing in Smallholder Agriculture" adopted in 2013 in the Committee on World Food Security (CFS)[2], the principal international forum that deliberates on food and nutrition issues.

Building on this work, in 2014 the CFS began to focus specifically on the topic of 'Connecting Smallholders to Markets'. The aim was to examine more deeply the fundamental relation between markets, food security, and smallholder agriculture. The focus on this relationship (rather than on markets, agricultural production and economic growth in general) is significant for two reasons. Firstly, it respects the CFS's mandate to promote food security and nutrition and recognises the essential contribution smallholders make in this regard: as **paragraph 2** of the negotiated document confirms, smallholders supply up to 70% of overall food production.

The second reason why this focus is warranted is that, despite their prevalence, there are significant information and analysis gaps regarding the types of markets in which smallholders are active and how they function. Although there is a wealth of concrete experiences in all regions, too little effort has been made to document and learn from them and to connect them to national and international policies and standard-setting. As a result, smallholders and the markets in which they operate are all too often misunderstood, and/or discriminated against in public policy making.

This misunderstanding is reflected in the title of the CFS policy process on 'Connecting Smallholders to Markets', since it implicitly implies that smallholders are somehow disconnected from markets in the first place. Indeed, hardly any smallholders are pure subsistence farmers; nearly all also produce for and sell food on markets. This misunderstanding relates to an assumption that poverty is determined mainly by questions of access.[3] Instead, the issue is not one of market access in general, but rather of access *to remunerative markets that work for smallholders* and the terms by which smallholders negotiate their access.

The problem that smallholders encounter is that the types of markets in which they are engaged are often not visible to, or prioritised by, policymakers. In reality, there are many different types of markets with very different characteristics. It is only in the very recent past that the term

has been identified with a single form of market, generally identified with formal agribusiness value-chains. This leads to simplistic solutions such as proposing 'market integration' as the one-size-fits-all approach without considering what type of market and on what conditions. We must bear in mind that "A market is not only an abstract system of prices, preferences, supply, demand and automatically generated equilibriums. A market is also about concrete transactions between concrete people who exchange concrete products according to concrete infrastructural patterns".[4]

A much deeper understanding of the many different types of markets in which smallholders engage is thus needed, as well as of how public policies can support, defend and strengthen them. This is the aim of the policy recommendations negotiated in the CFS but they are necessarily very brief and require some additional explanations to be more easily applied to specific national and regional settings. This will be the main thrust of this analytical guide, that is set out as follows:

- First, the concept of 'territorial markets' is introduced and examined as the key markets in which smallholders operate. During the CFS negotiations the terminology "local, national and regional markets and food systems" was preferred by many since there were some misunderstandings about what is meant by "territorial markets", so it is important to clarify this.
- Second, territorial markets are contrasted with formal value chains as two different ways for organising food and agricultural markets but with markedly different outcomes for smallholder development. The impacts of international markets on territorial markets are also examined.
- Third, public policies for territorial markets are considered, paying particular attention to the issues of pricing policies, public procurement, food safety and standards, and appropriate credit and infrastructure.
- Fourth, the question of how to position smallholders operating in territorial markets to respond to global challenges, such as a growing urban population, is tackled.
- Finally, the guide ends with some suggestions for how to ensure that the policy recommendations are applied at national, regional and global levels and in the programmes of the organizations that participate in the CFS.

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CHAPTER 1

TERRITORIAL MARKETS

The small-scale producers and civil society organisations that participated in the negotiations through the autonomous Civil Society Mechanism[5] proposed the concept of 'territorial markets' as *the* key markets in which smallholders are active. As explained in their advocacy note:

> *We propose to call the markets in which the vast majority of smallholders are engaged (and through which most food consumed in the world is channelled) "territorial" because they are all situated in and identified with specific areas. The scale of these areas can range from the village up to district, national or even regional, so they cannot be defined as "local". Their organization and management may incorporate a weaker or a stronger dimension of formality but there is always some connection with the competent authorities, so they cannot be defined as purely "informal". They meet food demand in different kinds of areas: rural, peri-urban and urban. They involve other small-scale actors in the territory: traders, transporters, processors, traders. Sometimes these other functions are performed by smallholders or their associations. Women are the key actors here, and so these markets provide them with an important source of authority and of revenue whose benefits are passed on to their families.*[6]

The idea of a territorial market is not new. It is adopted in a number of established approaches that speak of 'territorial food governance' or 'territorialised food systems'. The term serves to underscore the reality that most food in the world is produced, processed, traded or distributed and consumed within a given territory i.e. within local, national and/or regional food systems. Indeed, the state of agricultural trade is such that only 10-12% of all agricultural products are traded on the international market, including 8,4% of rice, 13,8% of cereals, 9,2% of milk and milk products, 35,4% of fish and fish products, 9,8% of meat and 21,2% of oils and fat, 6% of fruit, and 3% of vegetables.[7]

The negotiated policy recommendations briefly list some of the features of these markets in **paragraph 4**. To further illustrate the strength, diversity, and universality of these territorial markets, it is worth exploring the concept more deeply and providing some concrete examples of their distinguishing characteristics since, even though they are extremely diverse, they differ from global food supply systems in the following ways:

i. They are **directly linked to local, national and/or regional food systems**: the food concerned is produced, processed, sold or distributed and consumed within a given "territory"; the gap between producers and end users is narrowed; and the length of the distribution chain is significantly shortened or even direct.

The territorial dimension in territorial markets does not imply that they are small "niche" markets. Some of them are huge, such as the Pout market in rural Senegal which profits from huge human and natural potential: 26,205 households provide mangos, citrus fruits and bananas to the markets, sourced from 11,000 hectares of orchard in the Thiès region and 8,000 hectares near the municipality of Pout.[8] Further markets of important dimensions in-

clude the 230 hectare Xin Fa Di market place on the outskirts of Beijing which supplies 80% of the city's fresh, non-processed food and drink[9] or the greenmarkets in New York, now to be strengthened by a New York State investment of US$ 15 million to build a Regional Food Hub in the Bronx catering to local small-scale producers.[10] Others, like village or farmers markets, are smaller individually but represent typologies of markets that are replicated around the world and collectively meet most of the food demand.

ii. They are **inclusive and diversified** with a wide variety of agricultural and local food products to the market place, reflecting the diversity of the food system(s) of the territory.

For example, in the case of the Thiaroye food market in the suburbs of Dakar, Senegal, around 82,000 farm households are involved in market gardening across the seasons, providing onion, hot pepper, tomatoes, aubergine, gumbo, and cabbage.[11] The market was created in 1960 in a spontaneous way by women who simply "came up to the main road to sell their produce", and has evolved and expanded over time to become one of the most pivotal places for accessing a large variety of local produce at affordable prices.

iii. They **perform multiple economic, social, cultural and ecological functions** within their given territories - starting with but not limited to food provision.
Beyond their vital economic contribution, a range of other important roles and services have been attributed to territorial markets including as place for information sharing (with markets serving as a type of 'official newsletter'), for socialising and community bonding through opportunities provided for small-talk and gossip, and even for political negotiation as places where alliances between political actors are formed, and where the power of local authorities and the prosperity of a community can be measured.[12]

iv. They are the **most remunerative for smallholders** since they provide them **with more control** over conditions of access and prices than mainstream value chains and **more autonomy** in negotiating them.

For example, in the case of the Won-ju farmers' morning market in South Korea, which was initiated in 1994 by smallholder farmers in the area, the farmers autonomously manage the market. In order to ensure their accountability and traceability, as well as building mutual trust with the consumer, produce is labelled with the producers' name, origin, and contact details. The model has proved highly successful with the market consistently increasing every year, both in size and sales, as consumers come to the market to buy cheaper, fresh, and reliable food as well as to learn and enjoy the traditional market cultures of Korea. Pioneering in its day, such markets are now held every five days across the country, particularly in peri-urban spaces.[13]

v. They **contribute to structuring the territorial economy** since they enable **a greater**

share of the wealth created to be retained, redistributed, and returned to farm level and local economies.

For example, in Central Italy there are significant part of the agricultural sector that produce mainly for territorial markets. Alongside, there are others that mainly produce for large retailers and/or for export. In the past, local meat production, located in small and medium farms that use Chianina animals and sold through local abattoirs and restaurants, has been studied in comparison with feedlots that produce mainly for supermarkets. In the first group the net value per kilogram of meat is far higher (0.99 vs. 0.16 Euro) and more employment is generated (300 for 1000 animals vs. 110 for every 1000 animals). In addition indirect employment is far higher (far more abattoirs). Thus, the overall contribution of the first group to the territorial economy goes far beyond that of the second. Interestingly, the use of carbon energy is lower in the first as compared to the second group. Recent studies focussed on newly constructed territorial markets in the same area, and show that, in combination with renewed farming practicesm these new, territorial markets generate revenues of 1,800 Euros per hectare versus 1,260 Euros for specialized farms that are linked to the value chains.[14]

vi. They may be **informal, formal, or somewhere in between**. To varying degrees, all have some links with the relevant public bodies and the state through tax collection or through public investments.

vii. They include **embedded governance systems** meaning that they operate according to a set of commonly shared rules that are negotiated between producers, consumers and the local authorities of the territory concerned (local, departmental / provincial, national and regional).

For example, trading along the milk chain in Somaliland largely operates according to shared culture, values, and trust in a unique system known as 'Hagbed'.[15] This involves pastoralists pooling together in groups of between 10 – 15 people. Each member of the group makes a contribution to the daily milk requirements of the group's customers. The milk is then sold to the customers on behalf of one of the producers in the group at a time, with the selected producer keeping the money. After this, the producer than contributes milk to another group member the following day. This process is repeated on a rotating basis until all the members of the group have had their turn. This modality not only reduces operational costs, but also ensures that producers have equal opportunities for access to customers, and guarantees income while consumers benefit from a regular supply of milk.

viii. In addition to serving as spaces in which supply and demand are matched up, they are places where **political, social and cultural relations play out**, and where all people involved interact according to varying degrees of **interdependence and solidarity.**

For example, in the Andean barter markets developed by the indigenous Quechua peoples of the Peruvian Andes, produce is exchanged according to ritualized customs expressing generosity and solidarity that have been institutionalised over time.[16] Women, household and kinship groups, and communal assemblies play key roles in these customs. These barter markets are the second most important source of food for households after their own fields. In this way, the food security needs of one of the poorest groups in the region are met through culturally unique ways.

Many of these elements of territorial markets are recognised in **paragraph 4** of the negotiated text on 'Connecting Smallholders to Markets' (see selected highlights in Box 2). Although it does not use the term 'territorial markets', this paragraph is nonetheless key to advancing support for the types of markets in which smallholders are active and strengthening data collection on and policy support for these markets.

Local, national, and regional markets and food systems: Globally more than 80% of smallholders operate in local and domestic food markets. These ***highly diverse markets****, in which most of the food consumed in the world transits, can range from local to transboundary to regional and may be located in rural, peri-urban or urban contexts or span these contexts, and are directly linked to local, national, and/or regional food systems. This means that the food concerned is produced, processed, and traded within these systems.* ***These value adding processes can help to create employment and contribute to***

local, social and economic development, when the benefits of value addition circulate within the local, national and regional systems*. They can take place in structured arrangements or in more ad-hoc or informal ways which provide greater flexibility for smallholders and fewer barriers to entry.* ***They perform multiple functions*** *beyond commodity exchange, acting as a space for social interaction and exchange of knowledge. Despite their importance,* ***these markets are often overlooked in data collection systems****, which impacts negatively on the evidence base for informing public policies.*

The reluctance of many governments to use the term 'territorial markets', despite recognising the multiple important features associated with them, stems from a concern that speaking of territorial markets could conflict with recognition of country frontiers and national sovereignty. However, this concern is not well-founded, and the term is used without reservations by governments and institutions such as the EU under its Territorial Cohesion Policy[17] or in the recent FAO/OECD/UNCDF programme on Adopting a Territorial Approach to Food Security and Nutrition Policy.[18] It is widely accepted and increasingly used in the context of natural resource management, development planning, managing evolving relations between rural and urban spaces, and promoting the devolution of powers to decentralized sub-national government – not least in the already endorsed CFS Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests as well as in the ongoing CFS work on Urbanization and Rural Transformation. This suggests that the term 'territorial market' is both a politically meaningful and empirically sound concept whose continued and further use should be encouraged, particularly regarding food provisioning, food security and nutrition.

The role of women and youth in territorial markets are important dimensions to consider as they often face particular barriers in terms of their access to and participation in food and agricultural markets. **Paragraphs 5 and 6** of the negotiated text, on gender and youth respectively, rightly seek to address the particular obstacles these groups face. The example of women shellfish collectors in Gallicia in northwest Spain is just one of many that confirm the importance of government support in the forms of training, access to finances, and integration in social welfare and health care systems.[19]

However, while **paragraph 6** captures the constraints faced by women, there remains a tendency to depict women as providers of services for the rights and benefits of others. This is reflected by the fact that the paragraph concludes with a call for actions "to promote the respect, protection, and fulfillment of human rights including the progressive realization of the right to adequate food in the context of national food security for gender equality and women's empowerment" but does not assert the need to respect, protect and fulfill women's rights in particular, as the civil society mechanism advocated.

CHAPTER 2

DISTINCTIONS BETWEEN TERRITORIAL MARKETS AND FORMAL VALUE CHAINS AND IMPACTS OF INTERNATIONAL TRADE

Territorial markets stand in contrast to formal value chains and international markets as organising principles for food and agricultural systems.

The concept of "value chain" as the organizing principle of markets to which small-scale producers are invited to connect is inappropriate for several reasons. It projects an image of linear connections that does not correspond with the more web-like relationships that link actors in territorial markets. It begs the question of who decides what kind of "value" is concerned and does not accommodate the multiple functions and multiple values (social and cultural as well as economic) that territorial markets include. Borrowing from the language and ideas of business administration, formal value chains conceive of value generation, allocation, and enhancement as a linear and mechanical process whereby each link of the chain is associated with particular actors and value adding processes. In this approach, smallholders occupy the lowest end of the chain as the providers of primary products, where the least value is generated and captured. Being in this position can also place smallholders in an onerous situation by, for example, tying them to contract farming arrangements where the terms and conditions are set by buyers, and producers have to be bear a significant share of the upfront costs and production risks. At the same time, small-scale producers are required to use standardized technological inputs that may not address particular ecosystem needs, and may compromise precious local producer knowledge. Perhaps not surprisingly, given the risks and demands involved, the profile of those that do tend to benefit from such arrangements are generally the better-off, more resource-rich farmers, able to exploit agri-inputs at scale and earn the designation of 'entrepreneur'. They are very rarely women.

This does not in any way mean that small-scale producers – women and men – should not be supported to add and retain value to their products. On the contrary this is essential, and there are many examples of ways in which such value addition is taking place under the control of producer associations and groups. It simply means that thinking in terms of formal agribusiness value chains is not the best way to go about this.

Formal agribusiness value chains can be organized on national, regional or global dimensions. At national and regional levels they risk out-competing marketing arrangements led by small-scale producer associations themselves in meeting and deriving profit from the growing urban food demand in their territories.

For example, in the case of the *mercados campesinos* (peasants' markets) in Bogotá, Colombia, peasant organisations have had to struggle to claim both their rights and their market space in light of Colombia's supermarket expansion and a takeover of the food chain by powerful intermediaries. One of the most effective counter-strategies has included re-creating long lost market spaces, including

most notably the opening of a farmers' market in the central Bolívar Plaza of the capital city.[20] By eliminating some of the links in the intermediary chain, it is possible for peasants to sell their products directly to consumers while establishing "fair prices" as a market balancing element. This has benefitted both the producers – by providing them with greater earnings – and consumers, who enjoy access to healthy, excellent quality products at a good price.

At global level, driven by the sourcing strategies of transnational food companies, agribusiness value chains focus on delivering single commodities onto world markets in an export-led growth strategy that is supposed to hold out the promise of an economic take-off. Global value chains are presented as the new instruments of development, becoming synonymous in the minds of many policy makers with 'modern', 'profitable', and 'efficient' agricultural production, processing, and marketing – thereby situating them within broader processes of commercialisation, agro-industrialisation, and structural transformation.

It is, however, highly questionable to what extent global value chains can deliver the kind of broad-based, inclusive growth needed in order to fulfil the Right to Food. In many instances global value chains have acted not as an instrument of development but as a new source of inequality subjecting smallholders to a high degree of debt and precariousness.[21] This is related to a number of factors but uppermost are the position that smallholders occupy in the chain – their low levels of control and autonomy - and the way value flows throughout the chain. Furthermore, in contrast to territorial markets where a greater share of value is retained, redistributed, and returned to farm level and to the territorial economy, global value chains veer towards an extractive model, where value flows outwards to export markets and international supply systems.

For example, the entry into the various fish markets around Lake Victoria, of an export-oriented trade in Nile perch has given control over this market to a handful of extremely powerful export processing factories.[22] These have become very aggressive market players, distributing the added value in highly unequal ways, concentrating decision making, and with evidence of the exploitation of fishers and fish traders as a result

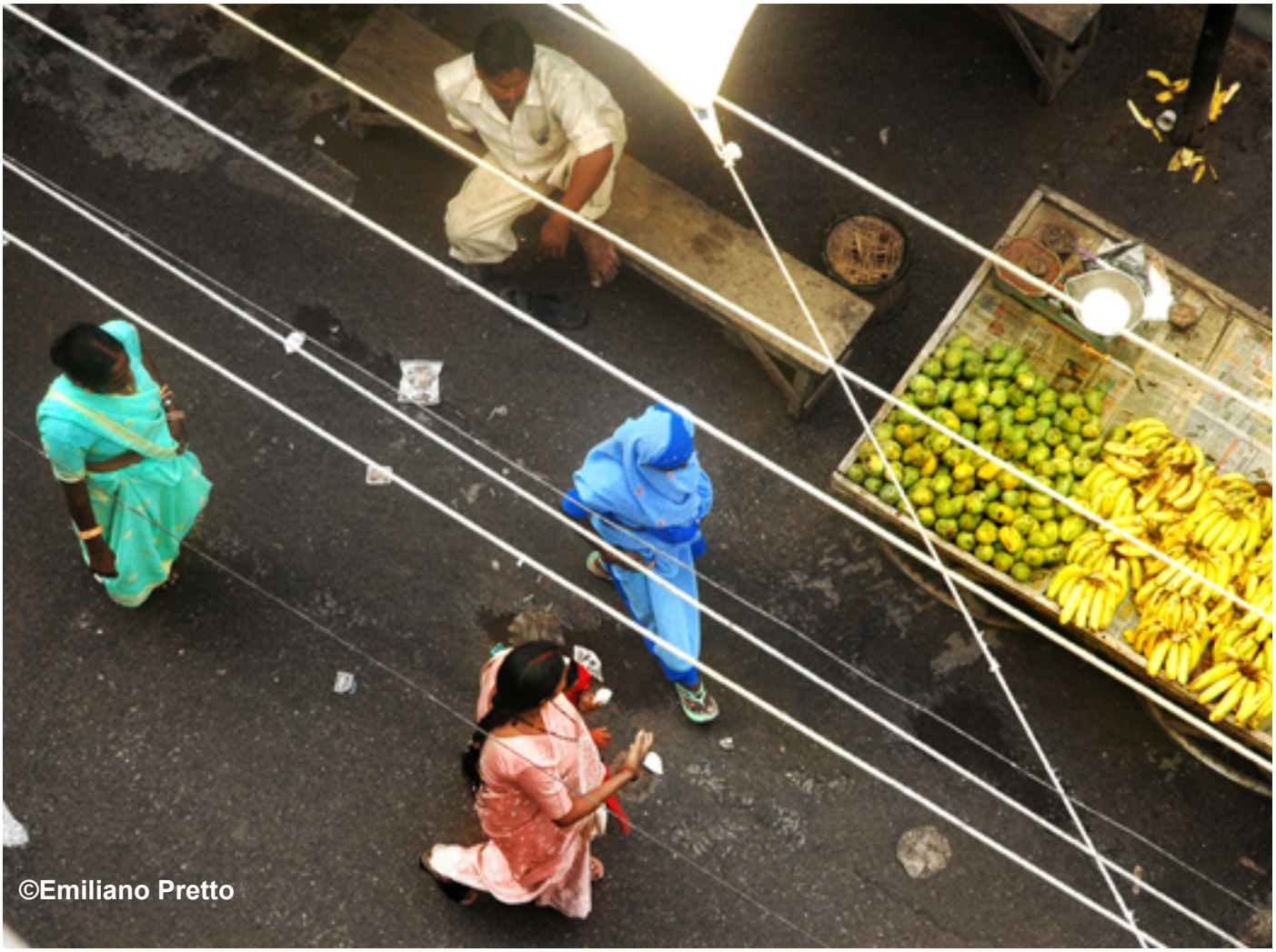
of being contractually and morally obliged to sell their catch to the buyers to whom they are indebted. Nevertheless, the control of these export factories is not absolute with a range of dynamic (often not well documented) local, domestic and regional markets for fish persisting that operate within, and are partly shaped by, the larger global market.

The insertion in the negotiated document of **paragraph 7** on international markets has to be treated with some caution:

International markets: Smallholders are also operating in, or may like to engage with export markets, which present particular opportunities and challenges for them. They can provide the potential for higher value and engagement with actors who can facilitate access to finan-

cial resources, capacity building and training for smallholders as part of their investment along the value chain. Smallholders may also face challenges such as meeting internationally agreed standards and other requirements related to food safety and quality. Smallholders can be vulnerable to disadvantageous contracts or unfair conditions and practices in these markets. Training and capacity development on market functions, literacy and numeracy can facilitate and better prepare smallholders for markets. International markets can have impacts on smallholders' food security and nutrition which can be better understood through data collection and analysis.

Civil society organisations active in the negotiations would have preferred to see this paragraph deleted since it gives excessive weight to international markets in the context of recommendations centred on the relationship between smallholders and the types of markets in which they are actively engaged and through which most food is channelled– namely the territorial markets described in section 2 of this guide and in paragraph 2 of the negotiated text. The paragraph does not acknowledge the low proportion of smallholders who are actually engaged in international markets nor their relatively well-resourced and dominantly male profile. It rather naively assumes that disadvantageous contracts and unfair conditions and practices can be corrected by training smallholders rather than by regulating the behaviour of the powerful actors in these markets. There is indeed a need to help smallholders build their capacities, skills and experience so that they can conduct their operations effectively, but the notion that this is a panacea is short-sighted and misleading. The recognition of the need to monitor and address the impacts of international markets on local food production and marketing and the right to adequate food is welcomed but much stronger language is warranted, given the damaging impact international markets can have on territorial markets, including cases of dumping. This is particularly so when backed by international trade and investment agreements that hinder, or even render illegal, policy support for smallholders and territorial markets.



BOX 1. The impact of free trade agreements on India's smallholder farmers

In India, several policy changes arising from bilateral and multilateral trade agreements will affect the territorial markets of small-scale food producers. Public support for the national food security programme has already been undermined by World Trade Organisation (WTO) rules and pressure from the World Bank that have compelled the Indian government to minimise government expenditure on procurement for the national food security programme. As a result the Indian government has taken steps that will have far reaching impacts on the markets of small-scale farmers.

- State level governments have been asked to withdraw bonus payments that they gave to farmers over and above the minimum support price (MSP) for rice and wheat.
- Direct cash transfers for the poor have been started on a pilot basis in Chandigarh (Punjab) and Pondicherry (Tamil Nadu) substituting for in-kind support in the form of providing them with food grains. If this gets widely implemented in all states, it will have drastic effects on farmers since it will reduce the amount of grain that the government would procure from them, thus automatically reducing the subsidy for public food stockholding. This would facilitate domination of the Indian food market by multinational corporations, and farmers would be forced to sell their grain at low prices because they would lose both the public price support mechanism and important institutional buyers such as the Food Corporation of India (FCI).

Territorial markets will also be negatively affected by the Free Trade Agreements (FTAs) that India is negotiating with major food grain exporters such as the European Union, Australia, New Zealand and Canada. These agreements will demand major tariff cuts for agricultural products, facilitating imports of cheap subsidised food from outside the country and depressing farm-gate prices in India. The FTAs are also likely to increase foreign direct investment in retail, enabling large retail chains such as Carrefour, Wal-Mart and Tesco to operate freely in India and dominate domestic food markets.[23]

The absence of a thorough examination of the impacts of these trade and investment agreements, along with such issues as corporate regulation, public-private partnerships, and the disciplining of financial markets, that all strongly influence the future development of smallholders in territorial markets, has been a way to side-step controversial discussions.

Nevertheless, they should be squarely addressed if territorial markets are to receive meaningful public policy support and the recommendations of the negotiated document are to be followed up seriously.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CHAPTER 3

PUBLIC POLICIES IN SUPPORT OF TERRITORIAL MARKETS

The negotiated recommendations on 'Connecting Smallholders to Markets' make a strong case for mobilising public policies in support of smallholders and territorial markets. **Paragraph 2** for instance states that:

> *Governments have an essential role to play in addressing smallholders' specific constraints and maximizing potential for beneficial access to reliable and remunerative markets. This will support governments' efforts to advance the 2030 Agenda for Sustainable Development by providing benefits to the food security and nutrition of smallholders, and to achieving food security and nutrition for all.*

This is in line with many other findings which show that public investment and public policies in support of farmers' own investments have some of the most effective impacts in terms of poverty alleviation, rural development, and combatting hunger, food insecurity and malnutrition.[24] The negotiated recommendations are therefore principally addressed to governments.[25]


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This section will examine some of the most important recommendations of the document in the areas of i) prices; ii) public procurement; iii) safe and nutritious food; iv) credit and infrastructure. It will draw on case studies to illustrate how these recommendations can be implemented in practice. It will outline why sound institutional and policy frameworks are important for strengthening territorial markets. The approach that is recommended for implementing the recommendations, in line with that of the CFS, considers policy-making not as a top-down exercise but as an opportunity for political exchange and empowerment, with a crucial role for small-scale producers' organisations and other social actors. The section will end by raising some issues for further consideration in the context of mobilising more policy support - such as the critical question of the formalisation of markets.[26]

a) Pricing policies

Pricing policies, including those related to market regulation, are key in determining the income smallholders can obtain from their produce on the market. Many small farms are becoming insolvent as their need for cash to meet immediate expenses obliges them to sell their products below the cost of production. Lack of accessible, timely, and reliable market information means that smallholders are often at a disadvantage when it comes to their market planning.

These issues are addressed by the recommendations that advocate *promoting a more enabling market environment for smallholders, that provides fair and transparent prices that adequately remunerate smallholders' work and investment* (**10ii**) and for supporting smallholders-adapted market information systems, to enable informed decision-making on what, when and where to produce and sell (**10iii**).

A range of public policy tools can be used to follow up on these recommendations including support prices; protection against dumping; marketing boards; low-cost mobile phone based market price information systems; and competition policy to name but a few.

There are many examples of cases in which governments have taken measures to protect the local markets of their small-scale producers. The government of Senegal, in consultation with the producers' organizations, has frozen the importation of onions during the period in which the locally produced onions are on the market. As a result, production rose from 40.000 tons in 2003 to 235.000 tons in 2012, and the turnover from 5 to 35 billion FCFA.[27] A strong civil society campaign induced the government of Cameroun to raise tariffs on low quality frozen chicken parts that were being dumped on the local market to the detriment of small-scale poultry producers. As a result chicken imports dropped from about 24,000 tons in 2004, before the application of the tariffs, to 800 tons in 2006.[28] In Kenya surges in the importation of powdered milk by private milk processors in 2001 triggered protests that led the government to raise tariffs from 25% to 60%. With this protection small farmers and informal supply chains were able to provide 80-86% of the milk marketed in the country by 2010, providing livelihoods for some 800,000 family farm households and an additional 350,000 people employed in milk collection, transportation, processing and sales. The absence of language on the need to safeguard against abusive buyer practices – despite the best efforts of civil society organisations to have this point included - is a regrettable omission, particularly as studies have shown how large food retailers collude in price manipulation in concentrated markets, to the detriment of both producers and consumers.[29]

The negotiated document highlights support for short food supply chains as one important marketing strategy to enable smallholders to obtain a better income from their production (**10xvii**). Along with recognizing the environmental, social, and economic value of food produced (**10xii**), this provides the grounding for policy support for arrangements such as Community Supported Agriculture (CSA) that offer producers a significantly better return on their labour and for the products of their sustainable agricultural practices (Box).

BOX 2. Dairy farming and Community Supported Agriculture in the UK

The dairy industry is facing significant challenges, but it also has an opportunity for radical change. Instead of pushing for more intensification and free trade, and allowing small farms to fall by the wayside in the process, we need better regulation, cooperation amongst farmers and true cost accounting. The true value of small dairy farms must be recognised, while the damaging impact of intensification must be accounted for if sustainable dairy farming is to survive in Britain.

There is an alternative for the farmer or new entrant who wants to keep a dairy herd and run a business of more modest proportions, by making a living through direct sales to local communities. This approach is often called Community Supported Agriculture. The milk provided by an average dairy cow annually is worth between £6,000 and £14,000 when sold retail — as opposed to barely £2000 if sold to a processor. The farmer who finds a way of processing and marketing milk directly will recapture the profit that would otherwise be creamed off by the corporations. A herd of 20 cows can be bringing in a turnover of over £150,000.

Dairy farmers in Dorset are currently going out of business because they are paid well below the cost of production for their milk. In contrast to the 21p per litre dairy farmers can expect from processors, a short supply chain farm like a CSA would be receiving £1.20 per litre which means a profit for the CSA and healthy affordable milk for the consumers. The milk is typically cheaper than similar high quality and organic produce available in supermarkets.[30]

b) Public procurement

Public or institutional procurement has been widely recognised as one of the most effective strategies to promote the progressive realisation of the right to adequate food through opening up new markets for smallholders. As **paragraph 9** of the negotiated document states:

> *Institutional procurement programmes are a useful tool to link producers to structured demand for agricultural products which can help smallholders to plan and diversify production and provide a more predictable income, including a way to support livelihoods in situations of crisis, conflict, and natural disasters.*

In addition to creating new marketing channels for smallholder produce, they also offer a range of other benefits such as the reduction in food miles and access to fresh and nutritious food for consumers.

Some governments have expressed reservations about using public procurement programmes to benefit local smallholders and territorial markets, raising concerns that this is in contravention to the WTO Government Procurement Agreement (GPA). However, as the former UN Special Rapporteur on the Right to Food has noted, this is a 'misperception' as there is sufficient scope and flexibility to integrate into public procurement policies, sustainable development and right to food principles.[31]

It is true, however, that institutional procurement strategies do not automatically benefit smallholders. If not well designed, they can in fact favour corporate bidders, such as large food catering companies, over small-scale producers organisations. The negotiated text makes several worthy recommendations in this regard: first by calling for the involvement of smallholders in the

development of institutional procurement contracting arrangements to ensure that they meet their needs (**9**) and second, by "Improving procurement procedures through the promotion of inclusive agreements with adapted modalities, which include simplified language, waiving of performance bonds, fast, regular and advance payments and manageable quantities and timeframes" (**10v)**.

The European Union Directives 24 and 25 include clauses to support public procurement policies that favour groups of small-scale producers. The practice of small-scale local producers coming together to respond to tenders for the provision of school and other institutional meals is becoming increasingly widespread. This would be seriously under threat were large-scale investment treaties, such as the Trans-Pacific Partnership agreement (TTP) or the Transatlantic Trade and Investment Partnership (TTIP) to be voted into national laws, as it would open up public procurement that favours local small-scale producers to attack under highly secretive and controversial international investment arbitration mechanisms.

Brazil is one of the best examples of a public procurement programme that incorporates these recommendations, successfully bringing together a range of social actors - including farmers' organisations, trade unions, rural NGOs, social movement and various government ministries - and embedding public procurement within a national food security and nutrition strategy (Box). This experience is inspiring similar programmes in Africa.

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BOX 3. Public procurement in Brazil

The Brazilian state is using public policy tools to open up new market spaces for small-scale producers as part of a long-term investment in a national food security and nutrition strategy. Casting hunger above all as a political issue, Brazil has made impressive strides in reducing poverty and food insecurity. Key to this success has been a range of social policies, such as cash transfers, social benefits and pensions with a strong emphasis on social participation including by farmers' organisations, trade unions, rural NGOs, social movement and various government ministries. A central element of the strategy has been support for small-scale farmers and poor rural households, particularly through the Public Food Procurement Programme (PAA). This involves the public procurement of food produced by small-scale farmers grouped together in associations and registered with the National Supply Company.

Under the School Meals programme, each Brazilian municipality receives a daily subsidy for each student enrolled for 200 days a year with the requirement that 70% of the municipalities' procurements should be staple, non-processed foods, with 30% of food coming from local family farms. This is set to benefit about 300,000 poor family famers – about 10% of the total number of family farmers in Brazil.[32]

c) Safe and nutritious food

The negotiated text includes strong references and recommendations related to the key role of smallholders in providing healthy and nutritious food and therefore contributing to the promotion of healthy and sustainable diets:

- *Paragraph 8 states that "Smallholders provide food that contributes to healthy, diverse, and balanced diets in a sustainable manner and they can play an important role in maintaining the connection between consumers and the source of food production";*
- *Recommendation 10.iv states that "(…) procurement programs for public institutions, food assistance and school feeding where smallholders are linked to structured demand for food and agricultural products and where consumers can access sufficient, safe, healthy, nutritious, and diverse smallholder produced food, including during all cases of protracted crises and conflicts";*
- *Recommendation 10.ix calls for infrastructural investments "to enhance availability, quality, nutritional value";*
- *Recommendation 10.xvii states, "Encourage production of nutritious and healthy foods that may present new market opportunities for smallholders".*

The combined effect of these recommendations provides smallholders with significant leverage in advocating for public policies that support the increased availability of diverse and nutritious locally grown, produced or prepared food across the entire spectrum of market types. Indeed, the diversified production of smallholders is crucial for ensuring food biodiversity and the ability to hand-down traditional food preparation practices. As this is particularly the case for agroecological smallholders, these recommendations offer additional instruments to call for public support for the strengthening of the agroecological movement from the view point of reclaiming healthy and sustainable diets as essential public goods. Furthermore, paragraph 8 also captures smallholders' 'important role in maintaining the connection between consumers and the source of food production', underlining the information and knowledge exchange that is inherent within territorial markets. As food is the expression of values, cultures, social relations and people's self-determination, protecting and strengthening these markets plays a fundamental role in preserving the intergenerational transmission of food knowledge and provides a complementary, if not alternative, response to the increased call for nutrition education.

The negotiated text also captures another key dimension of nutrition related to food safety:

- *Recommendation 10.xx states, "Promote rigorous protection of food safety through effective risk assessment leading to control systems that are appropriate for different scales, contexts and modes of production and marketing, while providing information and capacity building to meet these requirements".*

Smallholders are today increasingly affected by the top-down imposition of food safety standards that are largely designed to respond to large-scale, mechanised and standardised food production in developed countries and are increasingly applied under the hegemonic influence of trade liberalization regimes and the continued expansion of large distribution channels. As a consequence, international safety standards are increasingly applied to local procurement (e.g. the food procurement for hotels, restaurants and other retail outlets of the tourist industry, etc.) and are significantly conditioning the approach of policy makers towards informal territorial markets. This phenomenon is well captured by a recent publication by the International Livestock Research Institute (ILRI) summarizing the findings of twenty-five case studies of animal source foods across sub-Saharan Africa (Kristina Roesel and Delia Grace, Food Safety and Informal Markets, Routledge, 2015):

> *"The case studies and syntheses challenge conventional thinking around food safety in Africa: they show how informal wet markets continue to be the major sources of perishable foods and probably will into the near future; they suggest that hazards are not always important if risks can be managed and that traditional food preparation can be surprisingly effective at reducing risks; they find that food sold by the formal sector often has no better compliance with food standards than food sold in the informal sector; they show how important culture is as a determinant of food safety, and why information may not be enough to change food safety behaviour; they argue that food safety problems are usually manageable, most often best solved through stakeholder engagement and incentives, rather than regulation and enforcement."*

In line with this emerging approach, recommendation 10.xx promotes a risk-based approach to food safety, therefore shifting policymaking's perceptions on what they often regard as chaotic and unclean open markets to an evidence-based approach. Indeed, structured analysis often shows that the risks of informally marketed food are not as high as they are perceived to be, though they are different from other types of production and require control systems that need to be adequate to the '*different scales, contexts and modes of production and marketing*'. In using this recommendation, smallholders need to stress that such a tailored approach does not represent a reduction of safety standards, but rather an improvement. Food safety matters to consumers, including those that populate informal territorial markets. Studies have shown that most consumers (48–97%) in informal markets have indicated that they are concerned about food safety and that they would pay a 5–15% premium for safety-assured products. Food safety policy and regulations that are not designed for smallholder

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production and information markets could miss out on important risks that may be specific to these contexts, while imposing cumbersome and unnecessary costs and procedures. As reported in the ILRI Research Brief N. 20:

> *"Hazards are all things that can cause harm. Bacteria, viruses, parasites, chemicals and fungal toxins in food all have potential to cause harm: they are hazards. Risk, on the other hand, is the likelihood of that harm to occur including its consequences for public health and the economy. Our studies show that food sold in the informal sector often contains hazards. Moreover, as value chains become longer and more complex, transport larger, more diversely- sourced volumes of food, and place larger distances between producers and consumers, so hazards tend to increase. Consumer and market value chain studies confirm the bulk of literature that suggests, in some contexts, a high level of disease in developing countries is associated with food. However, a series of studies in informal milk and meat markets showed that although hazards are always common in informal markets, risk to human health is not inevitably high."*

It is therefore essential for smallholders to use this recommendation to advocate for a participatory and gender-based approach to risk assessments in smallholder production and informal territorial markets that would ensure safety responses that are adequate to these conditions rather than regulations that are designed for completely different types of risks.

d) Appropriate credit and infrastructure.

The negotiated text makes a number of strong recommendations on the provision of credit and financial services and necessary infrastructure, including feeder roads, irrigation, storage facilities, that help smallholders in their marketing activities:

- *10ix. Investing in and improving processing and storage equipment and facilities and their availability and accessibility across rural and urban areas to enhance availability, quality, nutritional value and food safety, and reduce seasonality of food insecurity and food losses and waste.*
- *10x. Improving access to inclusive financial systems, adapted to the needs of smallholders, which provide a wide range of services and innovative financial products, microfinance, special lines of credit, start-up capital, and insurance.*
- *10xi. Developing or improving smallholder-targeted infrastructure, such as irrigation, small-scale centers for processing and packaging; and infrastructure that links rural areas with urban areas and relevant markets, such as feeder roads, and market places for direct sales; and improving access to energy.*

The recognition that the State has the primary role to play in the provision of these essential goods and services is fundamental. This is particularly important in a context in which many governments are significantly under investing in these areas or are outsourcing responsibility for investment to the private sector, which is often more concerned with the infrastructural requirements of export markets than the development of local food production systems and territorial markets. Public investment in public goods and services is vital and has consistently been shown to be one of the most effective strategies for stimulating rural development and poverty reduction.

The inclusion of specific reference to the extension of 'special lines of credit' regarding financial services recognizes that these services have not always served the interests of smallholders and that particular efforts are required to tailor them to their needs and circumstances.

e) When does formalisation work?

The call for effective public policies in support of smallholders and territorial markets may be interpreted to imply a need for generalised formalisation of informal market arrangements. This is not the best way forward. In recent years, a more nuanced understanding of formalisation has emerged which explores the key question: 'when does formality work?'.[33]

It is crucial here to understand the dynamics of the markets in which smallholders operate. Many smallholders, for instance, adopt a blended strategy, engaging in both formal and informal markets depending on factors such as market demand, product quality, price and profits. For

many farmers, compliance costs for full-scale formalisation are too high and regulations too complex, so any kind of coercive approach is futile and ultimately counterproductive.

Meanwhile, it is wrong to think that consumer preferences and the importance of local food cultures can simply be ignored or overridden. In Kenya, for example, despite campaigns to promote the consumption of packaged, pasteurized milk from the formal sector, raw milk remains more popular because it is cheaper, has a higher fat content, is widely accessible and comes in variable quantities to suit every consumer's purchasing power.[1]

It is therefore essential that in order for formalisation to work and prove effective, the benefits must outweigh the costs with smallholders convinced of the advantages of better access to markets that demand formality. Crucially, "the formalization process must add value to what informal relationships and transactions already offer".[34] For example, in the case of Peru, inclusive formalisation strategies centred around support for farmers voluntary and gradual transition to formality through the creation of small, collective farmer enterprises and the targeting 'territories with meaningful potential that would benefit from other economic promotion initiatives, such as public procurement by local governments', have achieved some level of success. Other cases, such as that of the peri-urban food market of Nairobi, Kenya, also show positive results (Box).

BOX 4. Kangemi market, Nairobi City County, Kenya

Kangemi market is located in Westlands Sub-Country of Nairobi, roughly 6k northwest of Nairobi City Centre. It started off as one of the many informal markets scattered throughout the city, playing a vital role in supplying city dwellers and those located in the urban periphery with green vegetables, cereals, poultry, and a variety of other groceries and food products. It provides employment to many food vendors and hawkers as well as a host of other traders who congregate in the market to sell consumer items. Consumers are attracted to the market due to the variety of products, their freshness and quality as well as cheaper prices.

However, the market was technically illegal with the food vendors illegally occupying land used to set up their market stalls. This gave rise to standoffs with public authorities, resulting at times, in violent clashes. In 2000, following the burning down of the market, the local administration held discussions with market vendors and agreed to give the Kangemi Harambe Market Association a title deed for the 2.5 acres that they had occupied. Relations between the market association and the Nairobi City Council have since dramatically improved with working modalities set up on the collection of waste, revenues, sanitation and communication. The association has a particular arrangement with the Department of Environment of the Nairobi City Council on the sorting of waste before it is taken by City garbage trucks to the main dumpsite. In return for public support and recognition, the market association liaises with the local community groups on issues related to security and the illegal sale of goods on footpaths and open spaces. While problems and frictions still exist, this has significantly helped minimize conflict between food vendors and public authorities and reduced the unauthorized dumping of waste.[35]


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CHAPTER 4

POSITIONING TERRITORIAL MARKETS TO RESPOND TO GLOBAL CHALLENGES AHEAD

As stated in **paragraph 3** of the outcome document, "the economic, social, environmental and political landscape in which most smallholders are operating is changing faster than ever before" with "climate change, demographic pressures and changes, urbanization, the increase in the prevalence of conflicts and internally displaced people and refugees, and higher incomes and changing diets present both challenges and opportunities for smallholders".

It has been argued that these changing dynamics mean that smallholders will need to 'modernise' and eventually to 'graduate' out of their smallholder status by adopting more capital intensive, agribusiness minded and entrepreneurial styles of farming. However, as recognised by the High Level Panel of Experts report, there is nothing predestined about this transition paradigm, but rather it is a matter of design:

> *Smallholder agriculture is the foundation of food security in many countries and an important part of the socio/economic/ecological landscape in all countries. With urbanization, integration and globalization of markets, the sector is undergoing great transformations that are of vital national interest, that are often against the interests of smallholders, and that are neither inevitable nor a matter of chance, but of social choice.*[36]

"Historical evidence shows that smallholder agriculture, adequately supported by policy and public investments, has the capacity to contribute effectively to food security, food sovereignty, and substantially and significantly to economic growth, the generation of employment, poverty reduction, the emancipation of neglected and marginalized groups, and the reduction of spatial and socio-economic inequalities".[37]

Indeed, experience demonstrates that smallholders and territorial markets are in many respects better equipped to deal with global challenges – such as increasing climate and price shocks – than global commodity markets. This is largely due to the multi-functionality of territorial markets involving smallholder agriculture and diversified farming systems. Multiple marketing channels for selling and accessing food, with the possibility of relying on self-consumption or short circuits when this is the best option, mean that producers in territorial markets are less vulnerable to price swings in international markets and the breakdown of long, centralised agro-food chains, as during the 2007 – 2008 food crisis. In fact, the inherent fragility of large agricultural enterprises supplying global markets means that, in some circumstances, they are more likely than smallholder farms to go bankrupt due to the debts they accumulate which, in volatile markets and combined with low prices, can often result in negative cash flows. In Russia for example, more than 50% of these enterprises are in fact incurring net losses.[38] Between 2008 and 2009, and again in 2014, many large-scale farms in the process of expansion went bankrupt, particularly those in Denmark and the Netherlands due to their high debt-to-asset ratios which increased their exposure and sensitivity to market uncertainty. Often, economic and ecological resilience coalesce. For example, in the aftermath of Hurricane Mitch in 1998 in Nicaragua, it was found that agroecological farms situated in territorial markets were in a stronger position to bounce back than their 'conventional' farm counterparts, with fieldstudy observations confirming that "agroecological plots on sustainable farms had more topsoil, higher field moisture, more vegetation, less erosion and lower economic losses after the hurricane than control plots on conventional farms".[39] Similarly, in the Philippines, the strong development of a solidarity economy-based urban-rural movement, has been highly effective in increasing local food security, ensuring producers have access to local markets that provide them with decent income, building climate change resilience, and aiding disaster recovery (Box).

BOX 5. Building resilience through territorial markets in the Philippines.

Agriculture in the Philippines has long been marked by small-holders encouraged to invest in export-oriented cash crops, especially coconut oil and sugar-cane. The obvious risk for both local populations and the producers is a loss of food sovereignty and, in the worst of cases, a loss of food security.

This was precisely the situation that occurred when Hurricane Haiyan hit the Philippines in 2014, with an estimated loss of $700 million worth of agricultural production and infrastructure. Around 74% of fishermen and 77% of farmers lost their property and source of income, including in such sustainable producer-owned projects as seaweed farming.

The Community Supported Agriculture model, promoted by the national solidarity economy movement, has been at the forefront of guaranteeing local food security/food sovereignty in the post-Haiyan period, thus ensuring that local producers and communities become food secure. In this system, producers and local restaurateurs sign an agreement, with upfront payment at an agreed price to raise pigs, rice, goats and various vegetables. The network has rapidly developed a high reputation for the organic products grown by these producers. The network supplies food to hospitals and schools as well as restaurants. It has been developed as a holistic local development network to build locally resilient food systems and ensure that both producers and the local populations will recover from the trauma of the hurricane.

National legislation introduced in 2016 that supports organic production also has helped provide post-Haiyan relief for the producers.[40]

The contribution of smallholders and territorial markets to increasing food system resilience does not mean, however, that they do not require robust public policy support to place them in a strong position going forward. One of the main strengths of the process at the CFS on 'Connecting Smallholders to Markets' has thus been in mobilising public policy in support of territorial markets, both by strengthening these markets where they already exist and by opening up new spaces for them to take hold and flourish.
A key recommendation of the outcome document is for governments to strengthen the hand of smallholders in markets by:

> *Investing in capacity building, research and smallholder adapted innovative technologies, and technology transfer, to promote value addition, diversification of production, employment, and income sources, that help insure against food price volatility and mitigate the impacts of risks and shocks in agricultural income (***10xvi***).*

The policy recommendations adopted by the CFS in 2013 had already noted that the approach to capacity building and research is ideally that of combining farmers' and indigenous people's traditional knowledge with the findings of scientific research.[41]

The **emphasis on training and education (10xxi), capacity building (10xxii), innovation and the strengthening of smallholders' collective organizations (10xxiv)** throughout the negotiated text is very welcome and should be considered carefully in the context of the document's commitment to a participatory and inclusive approach to policy making (**10viii**), empowering smallholders and with special attention to women and youth (**10xix**).

It is worth considering how such an inclusive and participatory approach to policy making could develop in order to give weight to the recommendations and to place territorial markets in a strong position to meet global challenges. The negotiated document makes an interesting recommendation (**10xiii**) in this regard, calling for:

> *Promoting integrated and balanced approaches between policies and broader national strat-*

egies, including gender targeted interventions, such as those on local economic development and rural-urban planning, to facilitate their support of markets linked to local, national, and regional food systems.

This call for 'integrated and balanced approaches' which slot into broader frameworks of policy and development strategies chimes with a number of other CFS recommendations, such as the recommendation of the CFS 40 to:

Build or further develop a country-owned vision for smallholder agriculture, in the context of broad-based national, and agricultural development, that positions smallholder agriculture firmly within integrated policies and strategies, that includes connecting smallholders to markets, that is articulated together with all national stakeholders, especially smallholder farmers, of whom women represent a majority in many countries, their organizations and their representatives, in the context of sustainable development and transparent rights-based processes and guidelines.[42]

A similar notion is expressed in the CFS Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in which States are recommended to conduct regulated spatial planning in a manner which supports balanced and sustainable territorial development. This suggests a new way forward in thinking about governance of markets for food security and nutrition – one which is much more open and democratic, engages local actors and the broader 'community of food practice', and is appropriate to scale and territory. This type of inclusive food governance is in fact already in existence in a number of places.For example, on the strategic question of how to feed our cities, integrated urban food strategies consider food in its multiple dimensions and seek to harmonize food and agricultural policy with other desired outcomes related to public health, education, the environment, and economic sustainability. This often goes hand in hand with the creation or rehabilitation of local public bodies such as local food policy councils which involve a wide array of actors in food policy making and often combine food and urban agricultural strategy as part of a coherent and coordinated metropolitan and surrounding rural area plan (**see Box**).

BOX 6. Food and the City: Food Policy Councils Around the World

Food policy councils (FPC), or other similar spaces, have emerged in cities, metropolitan areas, and regions across the globe as spaces of participation and coordination on matters related to the "local" food system. Much of this is driven by the potential to achieve better market access for local food producers, improved access to local products for communities, particularly urban dwellers, better integration with public health needs, and improvement on issues of sustainability. Food policy councils often involve multi-actor coordination across the food system including the most relevant local and community level actors in food production, consumption, processing, distribution and waste recycling. Additionally, many also include non-governmental organizations and community associations, academia, social justice and environmental groups.

While many examples exist, one of the most long standing, successful, and participatory food policy councils is the Toronto FPC. Created in 1991, this food policy council was stimulated by strong grassroots initiatives to work with the city to go beyond municipal borders, and better integrate rural food producers and territories into the municipal food strategy. Situated in the Board of Health, the food policy council focuses on nutrition and access to healthy food - and market access for local producers is seen as a key element to achieving health and nutrition outcomes. Cities such as Bristol, UK and Ghent, Belgium have also initiated food policy councils that balance government and civil society participation. In Belo Horizonte, Brazil, the national food security policy is applied at the municipal level through activities such as local procurement, including purchasing from local small-scale producers and improving access and logistics in the supply process. Human rights are at the core of this program, as well as a central role for civil society in all decisions.[43]

The best examples of integrated urban food strategies thus treat food as a territorial question, linking economic, social and cultural aspects as parts of a wider sustainability perspective. In this sense, they are based on a different kind of food geography – one that cuts across traditional rural-urban divides and envisages a new kind of space –small to medium cities and the rural areas around them – which is far more compatible with smallholders' conditions than the current race towards megaities. This kind of integrated territorial development is being increasingly pursued, for example in Turin, Italy (Box).

This kind of integrated territorial development fits well with the idea and reality of territorial markets as developed in the 'Connecting Smallholders to Markets' negotiations. It complements and reinforces existing, every day practices, trades, and exchanges with a strategic dimension that can contribute to guiding the development of sound market and public policies. It is a promising path forward for future strengthening of territorial markets, smallholders, and their contributions to global food security and nutrition within a changing world economic, social, environmental and political landscape.

BOX 7. Urban Food Planning as Integrated Territorial Development.

Turin is in the process of 'reterritorialising' its food system through the development of a new integrated plan that sets the stage for a new relationship between the city, its surrounding rural areas and food. Capitalising on the many existing food markets which producers from the countryside supply with fresh products everyday, as well as range of alternative food networks such as farmers markets, urban gardens, solidarity purchasing groups etc., the city is designing a new comprehensive food plan ('Feeding Metropolitan Turin') that is inspired by an integrated urban-rural vision for food governance. Activities being projected include amongst others: urban and peri-urban agriculture,; public health; sustainable catering, food education; and waste reduction. In this way, the metropolitan area, metropolitan city, and municipal level are connected in a holistic fashion.[44]

CONCLUSIONS

The 'Connecting to Smallholders to Markets' process and negotiated text have illuminated the vital issue of the links between smallholders, markets, and food security and nutrition. It is important that the recommendations are treated with the seriousness they deserve and are followed up on, at the CFS but above all at local, national and regional levels, with smallholders in a leading role.

In this regard, it is very significant that the negotiated text ends with a specific section on follow-up, concluding that:

- *All CFS stakeholders are encouraged to advocate, including within FAO, IFAD, and WFP and other UN agencies' governing bodies, build awareness through dissemination, promote broad uptake, and facilitate learning, action, and experience sharing through the use of the recommendations (***10xxv***).*

The draft decision box submitted to the plenary session of the CFS in October 2016 further strengthened this recommendation by including a proposal that the CFS to return to the issue in a future CFS plenary to monitor progress, take stock and exchange experiences.

To ensure effective follow-up and sound policies, it is vital to fill the existing gap of information and analysis regarding territorial markets. It is necessary to be able to map territorial markets and to better understand their functioning, their relationships with smallholders and food security and nutrition, the interplay between formal and informal markets, the links between territorial markets and sustainable agroecological production models. To this end, the negotiated recommendations call for:

> *Collecting comprehensive data on markets linked to local, national and/or regional food systems– both rural and urban, formal and informal – to improve the evidence base for policies, including age, gender, and geographic-disaggregated data, incorporating this as a regular aspect of data collection systems, and making this information available to smallholders (10i)*

At global level the recommendations on 'Connecting Smallholders to Markets' should be integrated and mainstreamed within other CFS and UN processes. Within the CFS there is a key link to be made with the ongoing work on Urbanization and Rural Transformation. Supportive action by the Rome Based Agencies is also important. During the negotiations FAO expressed interest in working with small-scale producer organizations to fill the data gap on territorial markets, and the UN Standing Committee on Nutrition suggested that the development of appropriate approaches to ensuring safe and nutritious food could be a focus in the Decade of Action on Nutrition. The UN Sustainable Development Goals (SDGs) also offer an interesting entry point for monitoring and accountability of the recommendations on Connecting Smallholders to Markets (Box).

BOX 8. The UN Sustainable Development Goals as a framework for monitoring and accountability

The Sustainable Development Goals (SDGs) have been adopted by all UN member states as guiding principles for the coming 15 years. While there are many problems with the SDGs, the process of how they were developed and the content themselves, the reality is that they will constitute a key framework for future action, with each UN member country expected to develop a national action plan, showing how it will pursue the SDGs and how it will measure progress. This national strategy, data collection and exercises of "progress" should be used by CSOs to hold governments accountable to the work and decisions taken in Rome, It could also be an interesting exercise for communities to articulate how to best achieve these targets in the framework of human rights and food sovereignty. While the indicators are not fully finalized, some key targets that could be focused on in relation to this decision include:

- Goal 1:End poverty in all its forms everywhere.
- Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
- Goal 11: Make cities inclusive, safe, resilient and sustainable.

These are some key entry points that can also be linked with national level monitoring and accountability exercises that, in theory, should be promoted by the CFS. Many resources- human and financial – will be spent on the implementation of the SDGs, and CSOs have the right to influence how these resources are used, and to leverage the SDGs as a mechanism of accountability.

While global policy coherence is vital, CFS products need to be applied above all at the levels where the impact on people is most direct. It will be essential to adapt and apply the 'Connecting Smallholders to Markets' recommendations to national and regional contexts and processes. The social movements and civil society organizations who help to negotiate them are strongly committed to working with governments to translate these recommendations into policy, regulations and programmes in defence of integrated territorial development, smallholder agriculture and markets, and the realization of citizens' right to adequate and nutritious food.

NOTES

[1] "Smallholder" is the term employed in the CFS to designate producers who are not commercial enterprises primarily operating in formal value chains. The CSM has consistently contested this term since it is imprecise and does not cover the many people who produce food but do not "hold" anything, like agricultural workers, Indigenous Peoples and the landless. The CFS Principles for Responsible Investment in Agriculture and Food Systems (rai) speak of "smallholders, including those that are family farmers, - women and men" as "including those that are small-scale producers and processors, pastoralists, artisans, fishers, communities closely dependent on forests, indigenous peoples, and agricultural workers" (para. 4). This is the understanding of "smallholders" that is adopted in the negotiated text on 'Connecting Smallholders to Markets'. The rai principles clearly distinguish between "smallholders" and "business enterprises" and indicate that farmers can fall into either category depending on the nature and logic of their involvement in production (para. 49).

[2] Committee on World Food Security 2013/40 REPORT paras. 29-51.

[3] Du Toit, A. and S. Hickey (2007). 'Adverse Incorporation, Social Exclusion and Chronic Poverty'. CPRC Working Paper 81. Manchester and Bellville, University of Manchester and PLAAS.

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The CFS

The Committee on Food Security is the foremost inclusive intergovernmental and international political platform on food security and nutrition with the explicit vision to foster the progressive realization of the right to adequate food for all. The CFS was established in 1974 as an intergovernmental committee, hosted by FAO, to monitor the commitments made during the first World Food Conference in 1974, and later the World Food Summit in 1996

In 2009, under the impression of the world food price crises 2007/2008, the CFS underwent a profound reform and became the foremost inclusive platform with a particular openness to the participation of civil society. The Committee reports to the UN General Assembly through the Economic and Social Council (ECOSOC) and to FAO Conference.

The CSM

The Civil Society Mechanism (CSM) for relations with the United Nations Committee on World Food Security (CFS) is the largest international space of civil society organizations (CSOs) working to eradicate food insecurity and malnutrition by promoting effective agriculture, food security and nutrition policies, at the national, regional and global levels.

The CSM is formed by 11 constituencies and 17 sub-regions which elect their members to the CSM Coordination Committee. Several hundred organizations participate in the CSM, particularly from the constituencies of farmers, pastoralists, fisherfolks, indigenous peoples, agricultural and food workers, landless, women, youth, consumers, urban food insecure and NGOs.